

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 13 AND 273
BLOOMINGTON, INDIANA

January 1, 2004 to December 31, 2004



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OFFICIALS

Office

Official

Term

Chairman, Bureau of Motor
Vehicles Commission

Gerald Coleman
Mary DePrez
Joel Silverman

01-06-02 to 02-29-04
03-01-04 to 01-09-05
01-10-05 to 01-11-09

Branch Manager

David E. Martin

01-01-04 to 12-31-05



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Numbers 13 and 273 (Branches) for the period of January 1, 2004 to December 31, 2004. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branches for the year ended December 31, 2004, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 1, 2005

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBERS 13 AND 273
 BLOOMINGTON, INDIANA
 SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS
 January 1, 2004 to December 31, 2004

	Branch Number 13	Branch Number 273	Totals (Memorandum Only)
Collections:			
Registrations	\$ 4,315,304	\$ 55,903	\$ 4,371,207
Titles	1,164,251	-	1,164,251
Drivers licenses	315,103	-	315,103
Watercraft	85,833	-	85,833
Miscellaneous	939	-	939
	<u>5,881,430</u>	<u>55,903</u>	<u>5,937,333</u>
Totals	<u>\$ 5,881,430</u>	<u>\$ 55,903</u>	<u>\$ 5,937,333</u>
Distributions:			
State fees	\$ 2,155,155	\$ 12,245	\$ 2,167,400
County tax	3,104,378	39,600	3,143,978
Commission fees	621,897	4,058	625,955
	<u>5,881,430</u>	<u>55,903</u>	<u>5,937,333</u>
Totals	<u>\$ 5,881,430</u>	<u>\$ 55,903</u>	<u>\$ 5,937,333</u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 13 AND 273
BLOOMINGTON, INDIANA
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles, and drivers licenses are sold. Fees are uniform throughout the state.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

Note 4. Self-Service Terminal

This report contains financial and statistical information for Bloomington License Branch Number 13 and Bloomington License Branch Number 273, a self-service terminal (SST). The manager of Bloomington License Branch Number 13 is responsible for maintaining the SST.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBERS 13 AND 273
 BLOOMINGTON, INDIANA
 STATISTICAL INFORMATION
 January 1, 2004 to December 31, 2004

<u>Transactions Processed</u>	<u>Branch Number 13</u>	<u>Branch Number 273</u>	<u>Totals (Memorandum Only)</u>
Vehicle registrations:			
Passenger	23,098	328	23,426
Motorcycle	817	5	822
RV (housecar)	299	1	300
Light truck	6,973	101	7,074
Other truck	338	7	345
Farm truck	86	3	89
Tractor	26	-	26
Trailer	2,242	27	2,269
Semitrailer	149	2	151
School and church bus	24	-	24
Other bus	5	-	5
Other	8	-	8
Total vehicle registrations	<u>34,065</u>	<u>474</u>	<u>34,539</u>
Drivers licenses and permits:			
Drivers licenses/learners permits	14,758	-	14,758
CDL licenses/CDL permits	396	-	396
Placards	1,273	-	1,273
Other	8,326	-	8,326
Total drivers licenses and permits	<u>24,753</u>	<u>-</u>	<u>24,753</u>
Titles:			
Vehicles	18,970	-	18,970
Watercraft	239	-	239
Total titles	<u>19,209</u>	<u>-</u>	<u>19,209</u>
Total watercraft registrations	<u>756</u>	<u>-</u>	<u>756</u>

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 13 AND 273
BLOOMINGTON, INDIANA
EXAMINATION RESULTS AND COMMENTS

YEAR-END INVENTORY

The Branch personnel took an inventory at the end of December 2004. In January 2005 we tested the accuracy of this inventory. Several items were located at that time which had not been included in the inventory. When comparing the year-end inventory to the Open Inventory Report, we noted that several items had not been included in the year-end inventory.

Prior to year end, detailed inventory instructions were developed and distributed to each branch by BMV Audit Services. They included a listing of accountable items along with sample forms and examples. (Letter dated December 1, 2004, from the Audit Services Director)

INVENTORY CONTROL

Accountable items 30 day permits were not accurately maintained.

Instructions for maintaining logs of accountable items are given to the branch managers. (Branch Operations Policies and Procedures Manual, Equipment and Supplies Chapter)

IMPROPER FILING

Daily invoices and HFA boxes were not filed in a manner to enable easy access. The year of 2004 records were combined with other years in no particular order. Excessive audit time was spent finding daily invoices for testing.

All processed documents should be filed in accordance with BMV policies. (Branch Operations Policies and Procedures Manual, Filing Chapter)

AFFIDAVIT OF ELIGIBILITY FOR MUNICIPALLY OWNED LICENSE PLATES

Affidavits of eligibility for a municipally owned license plate (State Form 45616) were not completed or on file with the branch.

An affidavit of eligibility for municipally owned license plates (State Form 45616) must be completed or on file for each municipal unit issued a municipal license plate. (Bureau of Motor Vehicles Registration Manual)

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBERS 13 AND 273
BLOOMINGTON, INDIANA
EXIT CONFERENCE

The contents of this report were discussed on December 1, 2005, with David E. Martin, Branch Manager. The official concurred with our findings.